

! Kheis

Munisipaliteit
Municipality

ANNUAL REPORT

2010/2011

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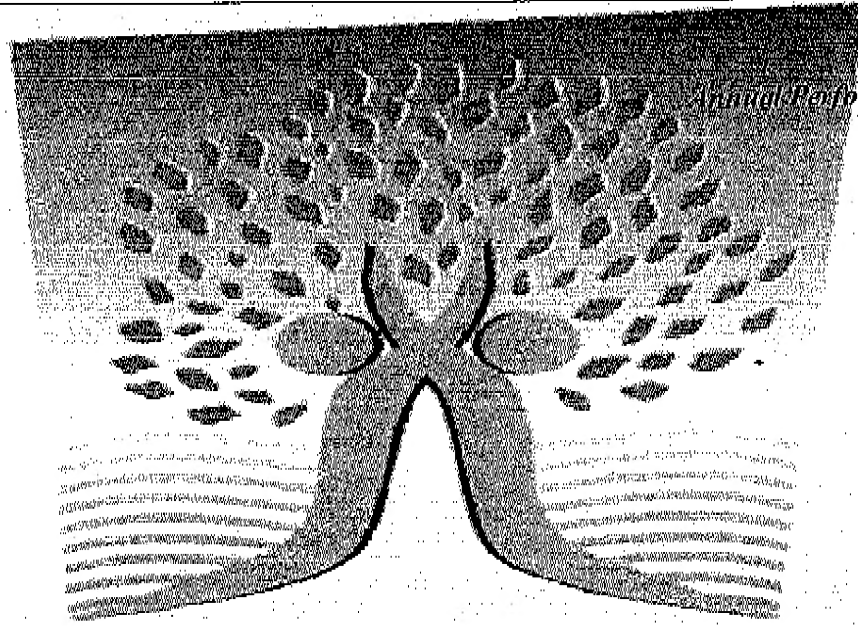
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Annual Performance Report
2010/2011

! Kheis

Munisipaliteit
Municipality

ANNUAL PERFORMANCE REPORT

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INTRODUCTION AND OVERVIEW

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1. PREAMBLE

The annual report is an account of the Municipality's achievements in the year under review, and as with any rigorous reporting instrument that wants to enhance the function of the municipality, it does not hesitate to point out the Municipality's shortcomings and needs.

The purpose of an annual report is as follows to:

- Provide a record of activities within the municipality during the financial year
- Report on its performance against the budget for the financial year
- Promote accountability to the local community for decisions made throughout the year

The annual report must include the following;

- Annual Financial Statements of the municipality;
- Explanations in connection to financial statements;
- Assessment of any arrears;
- Annual performance report of the municipality prepared in terms of Section 46 of the Municipal Systems Act: 32 of 2000;
- Assessment of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (Bb) of the MFMA for revenue collection;
- Auditor – General's audit report in terms of section 126(3) of the MFMA;
- Auditor – General's audit report in terms of section 45(b) of the Municipal Systems Act no 32 of 2000;
- Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports;
- Recommendations of the audit committee;
- Any information as determined by the municipality
- Any other information as may be prescribed.

2. FOREWORD BY THE MAYOR



Cllr. W.A. Maritz

Significant progress has been made during the 2010/2011 financial year in intensifying the municipality's effort to improve the quality of life of the residents within the !Kheis Municipal boundaries. !Kheis Municipality is presenting the Annual Report for the financial year 2010/2011 to the people of South Africa, the Northern Cape and particularly the community of !Kheis, united in diversity.

We owe this timeous reporting to the invaluable contributions and guidance of the Office of the Auditor General, Treasury, the media and general public at large.

Our IDP and Budget process were premised on the community-based and ward-based planning processes. We are committed to ensure genuine participatory democracy in the governance of our Municipality.

Subsequent to the adoption of the national Local Government Turnaround Strategy (LGTAS), we also convened a consultative session with the sector departments, to give a blessing to our own Municipal Turnaround Strategy, we commit ourselves to the following five strategic objectives;

- Ensure that !Kheis Municipality meet the basic needs of our communities;
- Build a clean, effective, efficient, responsive and accountable local government;
- Improve the performance and professionalism in this municipality;
- Improve policies, oversight and support; and to
- Strengthen partnerships between local government, communities and all other stakeholders.

Thus this report demonstrates our commitment to ensure that residents in our communities regain their dignity as enshrined in the Constitution. We should also take this opportunity to thank all community members, Councillors and especially Ward Councillors who played an active role in the success of all projects launched.

We will continue to provide free basic services to registered indigents in accordance with the provisions of our Indigent Policy.

Thank you to the acting Municipal Manager and her team for their dedication and hard work. I know that the year under review had not been easy, but your commitment and hard work is bearing fruit. Therefore, the council wants to express their sincere appreciation.

To my colleagues and fellow leaders in this institution: Your support and positive contributions in making Local Government work are of the essence. Without you supporting me, we would never have achieved this much.

Remember our slogan: Service delivery begins with me. Working together we will build better Communities.

A handwritten signature in dark ink, appearing to be 'W.A. Maritz'.

Cllr. W.A. Maritz
Mayor !Kheis Municipality

3. A WORD FROM THE MUNICIPAL MANAGER



Miss. HT Scheepers

!Kheis Municipality has had a productive 2010/2011 financial year, exceeding many expectation. During this financial year I have been extremely impressed with the commitment showed by managers of all departments and the rest of the staff.

Our Council-and administration are in better shape and are collectively responding to the pressing challenge of providing effective and efficient services to the inhabitants of our Municipality. The Council has been more visible in the community interacting with our key stakeholders on various focus areas and utilising a variety of mediums to enhance service delivery. This alone, have engender a sense of pride within ourselves, the Council and its communities.

Our central theme has been to improved relations between the council, its administration and the communities through meaningful engagement.

The municipality's financial position and performance remains sound and pleasing. Despite numerous attempts to reduce debt and encouraging payment for services, it still remains a big challenge.

All conditional grants from National Treasury and other departments were spent within the specified time frames, and as a result no funds were returned back to National Treasury.

!Kheis Municipality is committed to the Batho-Pele Principles, and is therefore orientated to improve service delivery, with the community as the target group. To meet the above there is an urgent need to expand free basic services to all deserving members of our community, especially farm workers in informal settlements.

The human resource contingent of the municipality is currently trained to deal with challenges that may threaten the municipality. We work together as a family, follow statutes, function optimally and are future orientated.

On behalf of the municipality I want to thank members of the community for showing interest in the municipality through active participation in the outreaches that were conducted and all the programmes that the municipality had during the year.

We have also made a concerted effort to meet all the deadlines and milestones set by Province, this includes the IDP review, the compilation of the annual financial statements, as well as the Annual Report, which we hope will not only be aesthetically pleasing but also serve as a rich source of information about the municipality and !Kheis at large.

The Office of the Municipal Manager would like to extend its sincere gratitude to the Honourable Mayor and Council for the unwavering support during the financial year. I extend a word of thanks to Head of Departments and staff for their commitment and tireless efforts aimed at improving the lives of our community members.

Miss HT Scheepers
Acting Municipal Manager



4. EXECUTIVE SUMMARY

Vision

"The development of an institution, focussing on transparent, loyal and effective service delivery to the residence of the !Kheis Municipal Area."

Mission

'To promote economic development to the advantage of the communities within the boundaries of the !Kheis Municipality. This will be done by the establishment and maintenance of an effective administration and a safe environment in order to lure tourists and investors to the area'.

Strategic Objectives

The key strategic objectives of the municipality are:

- To ensure that the backlog in the provision of basic service delivery is addressed
- Attracting economic and investment opportunities to the urban area and to extend it to other areas of the municipality to ensure economic sustainability,
- To balance out the unequal distribution of social facilities,
- To raise awareness on the HIV-AIDS pandemic and its impact on the demographics
- Upgrade dilapidated infrastructure

Core business of the municipality

The core business of !Kheis Municipality is to provide and facilitate the provision of social and economic services to the people of !Kheis in an efficient and effective manner.

Core values of the municipality

The Municipality is committed to deliver services within the framework of *Batho Pele* principles, as outlined below:

- *Courtesy and 'People First'*
Residents should be treated with courtesy and consideration at all times.
- *Consultation*
Residents should be consulted about service levels and quality, when possible.
- *Service excellence*
Residents must be made aware of what to expect in terms of level and quality of service.
- *Access*
Residents should have equal access to the services to which they are entitled.
- *Information*
Residents must receive full and accurate information about their services.
- *Openness and transparency*
Residents should be informed about government departments, operations, budgets and management structures.
- *Redress*
Residents are entitled to an apology, explanation and remedial action if the promised standard of service is not delivered.
- *Value for money*
Public services should be provided economically and efficiently.

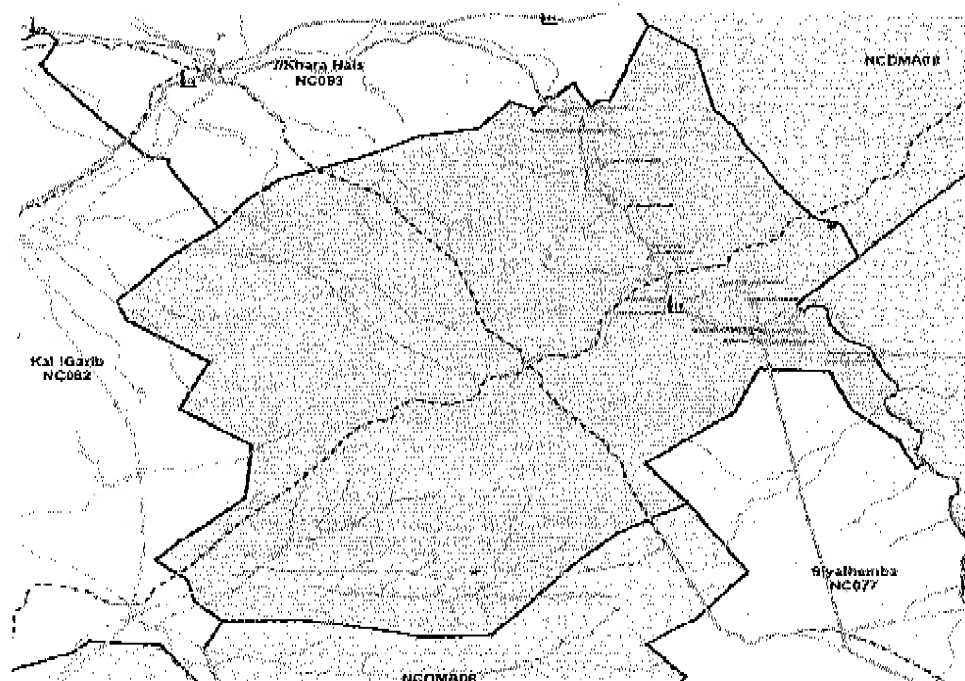
5. BACKGROUND

The !Kheis Municipal Area was initially inhabited by the **Khoi-San** people, whom also had been the first permanent inhabitants of South Africa. The San, who lived a nomadic life, migrated through the area. The **Korannas** (Khoi group) arrived in the area during the 18th century. They were widely spread over the "Benede Oranje" area and consisted of various tribes, each with its own captain (leader). The groups who lived in the !Kheis area, was under leadership of Captain Willem Bostander and Klaas Springbok. Many of their descendants still live in the area today. Other Khoi-groups, such as the Griekwas, also migrated through the area and intermarried with the Korannas. Later Coloured stock farmers, as well as white hunters and farmers arrived.

The Korannas tenaciously protected their territory against English invaders, when the English wanted to shift the Colonial Northern Border up to the Orange River. After several Northern Border wars, the Korannas power was broken and several Koranna leaders i.e. **Dawid Diederiks**, **Jan Kivodo** (Cupido), **Karel Ruyter** (Ruiters), **Piet Rooi**, **Klaas Lukas**, **Jan Malgas**, **Thomas Pofadder**, were caught between 1870 and 1879 by the English and held captive as political prisoners on **Robben Island**. (The very first people send to **Robben Island** as political prisoners, were Khoi people). In 1883 Piet Rooi died as a prisoner on **Robben Island**.

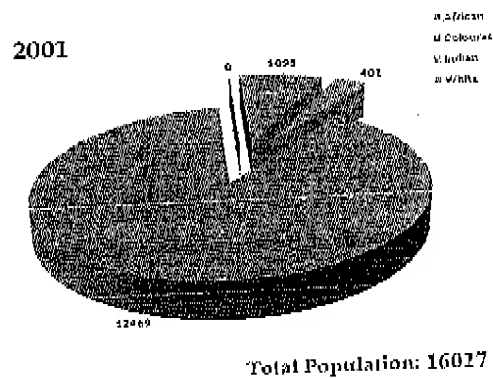
The actions of the English against the Korannas left them without leaders, which largely led to the fall of the Koranna people. The fact that the Municipality was given the name **!Kheis** is indeed an acknowledgment to the native people who first migrated to this area.

Geographical profile



!Kheis covers an area of approximately 7 225 squares kilometers. All the towns in the !Kheis Municipality area are situated next to the N10.

Demographic Profile

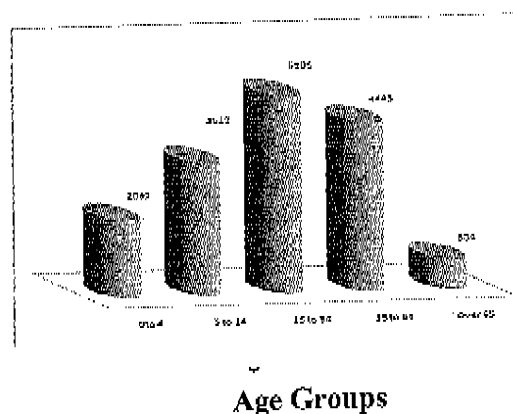


!Kheis Municipality had a total population of approximately 16 027 according to the community survey by census of 2001. !Kheis local Municipality is divided into 4 wards, and surrounding farms.

Gender Distribution

Females generally represent just over 51% of the population in most of the indicated areas. The figure illustrates those 49% household in !Kheis area are female headed. Gender distribution is also a determinant factor in assisting the various tiers of government to focus investment especially to vulnerable groups like women. The gender figure also assist the government to provide appropriate facilities and social investments in line with gender demographics.

The graphic above illustrate the different languages spoken in the !Kheis area. A total number of 15 630 of the inhabitants of the !Kheis area are predominantly Afrikaans speaking.



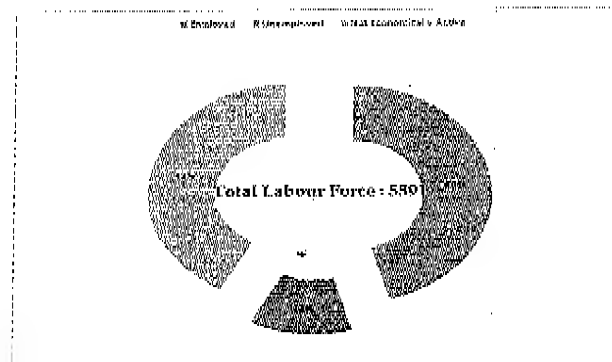
The age groups are especially important, since it could be determining for the planning of services which needs to receive priority attention at each town. For instance, the need for medical and social services would be higher in a town where the percentage of senior citizens is higher than the rest of the population. !Kheis is predominantly populated by youth under the age of 35. Of the 16 027 inhabitants, 35% are still financially dependant, that is between the ages 1 and 14 years. 65% are potentially economically active, that is between the age of 15 and 65 years. The huge number of this age group call for a need for creation of employment opportunities to cater for their needs.

Racial Distribution

According to the 2007 community survey censuses, the population in the !Kheis area was 673 Black African, 13 784 Coloured, 1 494 White and 6 Indian.

Employment Status

The economically active population (people aged 18 and above that are able and willing to work) of the !Kheis area is estimated at 46%, which resulting in an official unemployment rate of 54% which is of great concern.



Labour Force

A total of 5 591 people are estimated to be engage in formal sector. According to the above graphic, 54% of the total labour force is unemployed. This directly impacts payments of Municipal services.

Industry

The agricultural sector is still the main economic sector. The commercial farmers, farm especially with sheep for meat production, while the emerging farmers concentrate on sheep and goat farming. Provincial Government and Landbank are involved by capacitate the emerging farmers in sustainable farming and bookkeeping.

Livestock is marketed at Groblershoop, Upington, Johannesburg, Cape Town and internationally. Cotton, corn, wheat, tomatoes, peanuts, musk melons and pumpkins are cultivated under irrigation from the Orange River.

An abattoir is available at Groblershoop, where all livestock from the area, as well as other areas, are slaughtered. ±180 permanent jobs are created through the abattoir.

In the irrigation sector, our focus area is mainly placed on the cultivation of table grapes. There are also two wine cellars in the area, Grootdrink and Groblershoop. High quality table wine is produced at these wine cellars, as well as quality grape juice. The products of these wine cellars have already received several national and international awards. Several permanent jobs are created through these wine cellars.

Lucerne mills at Boggoeberg also provide work to local people. The expansion of the production of Lucerne in the broader !Kheis area is in a planning process.

Tourism Sector

This sector has not yet reached its full potential. !Kheis Municipality have certain plans in place to stimulate the sector. Currently the Boegoeberg Dam is the most popular tourism attraction in the area. Additional tourism spots will be look at and discuss broadly.

Boegoeberg Dam

Under the previous Local Government, this tourism attraction was managed by the Bo-Karoo District Council. The process to place the facility under the jurisdiction of !Kheis Municipality has been finalised. The facility is especially popular for fishing, camping and water sport enthusiasts. A variety of birds and animals also occur.

Cultural tourism

!Kheis Municipal Area witnesses several native groups, stretching out across the area. Groups like the San, Korannas, Griekwas, Coloureds, Whites and Xhosas, migrated across the area and settled within the area, at one or other time in the past. These groups each have their own culture. The opportunity exists to utilise these cultural treasures in order to draw tourists to the area.

Accommodation

Accommodation and overnight facilities exists in the area. The accommodation sector is one sector where previously disadvantaged individuals (PDI) could get involved in, not only as labourers, but also as product owners.

Support Services

The following support services are available in !Kheis Area.

Attractions

- Boegoeberg Dam
- Eselkloupan
- Wine Cellar tours
- Water Turbine at Winestead farm
- Bushmen drawings
- Witsand
- Mine dump – estate

Financial Services

Banking services are available in Groblershoop.

First National Bank	- Branch
Absa Bank	- Satellite
Standard Bank	- Satellite
Capitec Bank	- Satellite

Airports

The nearest airport is at Upington, ± 120km from Groblershoop.

Information offices

!Kheis Municipal Area is serviced by the tourism office at Upington. It is, however, part of !Kheis tourism strategy to establish its own Tourism Office at Groblershoop.

6. SOCIO ANALYSIS

Health

!Kheis Municipality has health facilities available in:

- Groblersshoop
- Wegdraai
- Topline (Mobile)
- Grootdrink
- Boegoeberg
- Gariep (Mobile once a week)
- Opwag (Mobile once a week)

Each clinic has access to one sister and a nurse, but no services are available when the sister isn't on duty. The nearest hospital is 120km from Groblersshoop. No emergency services are available after hours or over weekends. Only one ambulance with four drivers is available for emergencies in the whole area. The ambulance drivers work every day. Sometimes, while the ambulance is on its way to Upington, emergencies or deaths occur, since no service are available and because patients have to wait very long for the ambulance or due to very long distance to the nearest hospital.

The clinic at Groblersshoop is ±7km from the Community it must serve. Sick people struggle to walk 7km to the clinic. The service hours of the clinics should be increased to 24 hours per day, but a shortage in staff makes this impossible.

The sister at Wegdraai works 2 days per week at Wegdraai, 2 days at Topline and 1 day on the farms in the area. If she isn't available, the clinics are closed. If the sister takes leave, no services are available. Medical doctor visits happened on a ad-hoc base, once a month, and only for two hours. We intend to appoint a permanent doctor for the !Kheis area.

Social Services

These services were provided by an NGO, Child and Family Care. Two Social Workers is currently not sufficient for the large area which needs to be serviced.

General social problems include:

- Statutory work with Juvenile offenders
- Marriage problems
- Counseling of molested children
- Parental guidance groups for foster parents
- Family violence – Vulnerable Groups (women, children and old age) abuse
- Removal of children
- Therapy, e.g. Spelling therapy
- Counseling

The Communities are far from each other and without proper transport and a vehicle; proper social services can thus not be rendered.

Sport and Recreation

Limited sport recreation programmes exist in the !Kheis Municipal area. We have only an sport stadium, The Samuel Gouws Sport Stadium in Groblersshoop and a sport ground in Topline exist in the !Kheis area. Other towns and settlements has no facilities and needs to be developed.

Library Services

Library services within a community are crucial, because it nurture young minds to help them to read and write. It is also a source of knowledge where the whole community benefits to acquire information on various subjects.

In Groblershoop we have renovated a brand new library within town. This library gave access to people who want to use the internet. Our assistant librarian gave support to pupils to complete their assignments. Funds for the library are received from the Department of Sports, Arts and Culture.

We have mobile libraries in the following towns:

- Grootdrink,
- Topline and
- Boegoeberg.

Cemeteries

!Kheis Municipality has a lack of sufficient cemeteries to cater for the increasing mortality rate. We have received funds from Department of Environmental Affairs for the upgrading of all cemeteries.

Legislative Mandate of !Kheis Municipality: Our Core Mandates

The Municipality draws its mandate from policy and legislative pronouncements within the following:

- Constitution Act, 108/96
- Municipal Systems Act, 32/2000
- Municipal Structures Act, 117/1998
- MFMA 56/2003
- Demarcation Act, 5/2000
- White Paper: LG 9 March 1998

Key Performance Areas of the Municipality

The Table below identify the critical elements within the five Key Performance Areas (KPA), the SPM have set for itself, to link it to the Directorate mainly responsible for the specific KPA. It should be recognised that it is a corporate function and responsibility lies with the Corporate Centre and the Executive Management Team. The table also attaches the proposed strategic objectives within each KPA with targets - including and linked to national and provincial objectives and targets. The table therefore articulates the 5-year focus and priority emphasis in each one of the KPA's.

The following are the KPAs and a brief description thereof, that the municipality aimed at, for the purposes of improved service delivery:

- KPA 1: Basic and Sustainable Service Delivery
- KPA 2: Municipal Institutional Development & Transformation
- KPA 3: Local Economic Development
- KPA 4: Municipal Financial Viability and Management
- KPA 5: Good Governance & Public Participation

Basic and Sustainable Delivery

- To provide 60% of households with basic electricity by 2012, 75% by 2013 and 92% by 2014.
- To provide 100% of households with a metered water connection by 2014, 75% by 2012, 90% by 2013.
- To provide 100% of households with basic sanitation by 2014, 75% by 2012, 90% by 2013.
- To provide 100% of households with a weekly solid waste removal service by 2014, 80% by 2012, 90% by 2013.
- To ensure that 150 km of internal streets and access roads are tarred by 2014
- To reduce water losses to 60% by 2012
- To have a 5-year Integrated Infrastructure and Assets Maintenance and Operations Plan in place by June 2013 – Sect 63 MFMA
- To effectively and efficiently manage, operate and maintain SPM's Infrastructure and Resources by 2014.
- To ensure that all informal settlement areas are upgraded in accordance with the Human Settlement and Redevelopment Programme by 2014.
- To ensure that residents live within 1 km from a cluster of public amenities by 2014.
- To provide shelter for all by 2014 based on current demographic projections.

Municipal Institutional Development and Transformation

- To ensure that Management at all levels is 100% representative and in line with the Employment Equity Plan by November 2013
- To ensure that the Job Evaluation System is 100% implemented by 2013 financial year
- To ensure 100% implementation of the Skills Development Plan by June 2013
- To ensure enhanced service delivery with efficient institutional arrangements by 2013.
- To ensure the development and implementation of an Integrated Information Management System by 2013.
- To ensure that efficient business processes and management systems is 100% in place and functional by 2013.
- To ensure that the micro organisational restructuring is 100% complete by June 2012

Economic Development Programme (LED)

- To ensure local economic growth of 4% by 2014
- To half the present rate of unemployment by 2014
- To ensure that the Municipality procure 60% of its procurement budget to BEE and SMME Enterprises by 2014
- To reduce the number of households living in poverty by 3% per annum

Municipal Finance Viability and Management

- 100% unqualified audit opinions by 2014
- To improved revenue collection rate on billings to 90%
- To improved debt management – current debtors of more than 50% of own revenue
- To improved expenditure management
 - ❖ Operational - less than 4% over spending
 - ❖ Capital – 0% under spending by 2014
 - ❖ Spending on O&M – 55% by 2012, 75% by 2013 and 90% by 2014

Good Governance and Public Participation

- To ensure democratic and accountable governance by 2014 to ensuring a qualified Audit Report
- To establish structured public participation process for the different levels of planning and development processes of the Municipality by June 2012
- To ensure that all wards have formally elected and functional ward committees by July 2012.
- To ensure that a comprehensive communication system is in place by July 2012
- To ensure 90% satisfaction of residents and Councillors with frontline, face-to-face, telephonic and over-the-counter service of the Municipality by 2013

7. GOVERNANCE

During the year under review, !Kheis Municipality had the following components: Council and Administration.

Council

The legislative and executive authority of the municipality resides in council which were headed by the Mayor and 6 councillors. The council consist of the following members:

Mayor	: S Jansen
Councillor	: E Cloete
Councillor	: JPI Joseph
Councillor	: S Esau
Councillor	: WA Maritz
Councillor	: H Smith
Councillor	: T Esau



Previous council of !Kheis Municipality

During the year municipal elections took place and the following councillors were elected:

Mayor	: W. Maritz
Councillor	: E Cloete
Councillor	: JPI Joseph
Councillor	: S Esau
Councillor	: P Vries
Councillor	: K Esau
Councillor	: A Diergaardt



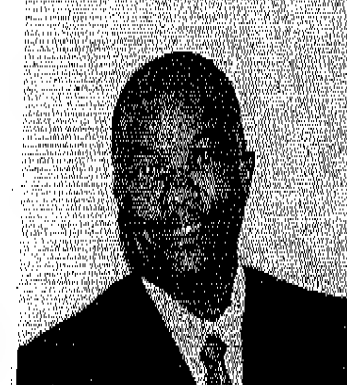
Mayor: WA Maritz



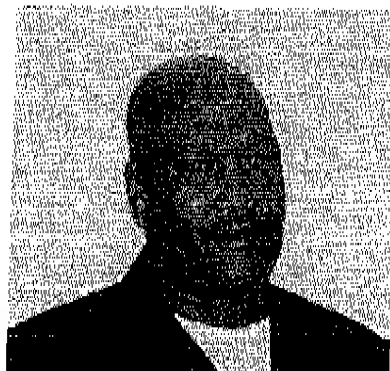
Cllr. A Diergaardt (ANC)



Cllr. S Esau (ANC)



Cllr. P Vries (ANC)



Cllr. JPI Joseph (DA)



Cllr. E Cloete (COPE)



Cllr. K Esau (COPE)

The council consists out of the following political parties. It list as follows:

➤ African National Congress	: 4 Councillors
➤ Democratic Alliance	: 1 Councillor
➤ Congress of the People	: 2 Councillor

Administration

The administrative component of the municipality is headed by the Municipal Manager as the accounting officer and head of Administration. The top management must assist the accounting officer in managing and co-ordinating the financial administration of the municipality. To ensure sound administration, management are mainly responsible for the following:

- Providing good governance for its communities in terms of representation of the public's interests- including consideration of people well-being and the interests of the municipality;
- Developing and evaluating policies and programmes for the municipality;
- Developing by-laws for the municipality;
- Ensuring that administrative policies, systems and procedures are in place to implement the decisions of the Council;
- Providing services, facilities, and other services that the municipality considers necessary or desirable for all members of its community;
- Ensuring accountability and transparency of the operations of the municipality, including the activities of senior management of the municipality;
- Fostering the current and future economic, social and environmental well being of its communities.

The position of the Municipal Manager is vacant and Ms HT Scheepers had been appointed as acting Municipal Manager. Administration consists of the following Departments, namely:

- Office of the Municipal Manager
- Corporate Services,
- Finance and
- Technical Services



Management of !Khels Municipality

8. DEPARTMENTAL CONSTRUCTION

IKheis Municipality is a small municipality which are manage by the Acting Municipal Manager, Chief Financial Officer, Acting Corporate Manager and the Head Technical Services. Due to the number of limited municipal staff, the municipality only operates with the following departments namely: Finance, Water, Public Works, Corporate Services, Technical Services and Council.

OFFICE OF THE MUNICIPAL MANAGER

Acting Municipal Manager



Miss HT Scheepers

Divisions

- Administration
- Local Economic Development
- Integrated Development Plan and
- Internal Audit

The Municipal Manager is responsible for the overall management and administration of the municipality, and must for this purpose take all reasonable steps to ensure:

- that the resources of the entity are used effectively, efficiently, economically and transparently;
- that full and proper records of the financial affairs of the entity are kept;
- that the entity has and maintains effective, efficient and transparent systems -
 - ❖ of financial and risk management and internal control; and
 - ❖ of internal audit complying with and operating in accordance with any prescribed norms and standards;
 - ❖ that irregular and fruitless and wasteful expenditure and other losses are prevented;
 - ❖ that expenditure is in accordance with the operational policies of the entity; and
 - ❖ that disciplinary or, when appropriate, criminal proceedings, are instituted against any official of the entity who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

Her key roles include strategic direction, overall management of and accountability for risk. Other functions include marketing the municipality.

Objectives

- To have policies and strategies developed, which would serve as an agreement between the municipality and the targeted groups
- To provide strategic leadership to the Institution
- To act as a link between the political and the administrative arms of the municipality
- To create a conducive working environment for all the employees of the municipality
- To uphold the Batho-Pele principles
- To protect and safeguard municipal assets
- To ensure adherence for all policies of the municipality
- To ensure that all the statutes of government are respected and obeyed
- To ensure continuous interaction with the community
- To provide a platform for the 3 spheres to operate in

FINANCE DEPARTMENT

Chief Financial Officer



Mr. J. Blom

Divisions

- Income
- Expenditure
- Budget and Treasury

The Chief Financial Officer is responsible for the financial management of the Municipality. This department consists of, but is not limited to the following:

- Annual budgets and financial statements;
- Investments and cash flow management;
- Administration of general ledgers and funds;
- Asset Management, including insurance of assets;
- Administration of income and expenditure;
- Administration of all finance related policies;
- Payroll administration

Objectives

- To ensure a fully capacitated organizational structure to address powers and functions, roles and responsibilities.
- Initiate priority skills acquisition in line with JIPSA
- To accommodate customer care functioning within office space requirements
- To ensure that !Kheis Municipality remains financially viable through:
 - ❖ Ensuring that all properties are on the valuation roll and receiving Municipal services
 - ❖ and are properly recorder on the billing database
 - ❖ Tariffs are modeled on cost recovery
 - ❖ Reduced outstanding debts
 - ❖ Improving debt collection rate in line with National norms
 - ❖ Reduced debt turnaround period in line with National norms
 - ❖ Enhanced revenue base
- To enhance financial management practices within !Kheis to sustain the institution as a going concern
- Ensure 100% receipt of funds registered in the DoRA
- Address all matters associated with audit report
- Present Annual Financial Statements to Auditor – General in compliance with section 126 of MFMA
- Strengthen oversight function and performance of SDBIP

CORPORATE SERVICE DEPARTMENT

Acting Manager: Corporate Services



Mr. D. Jacobs

Divisions

- Human Resources
- Administration
- Library Services
- Public Participation
- MTAS

The Corporate Service Manager is responsible for the Administration and the Human Resources of the Municipality. The main aim of the Corporate Service Manager is to assist the Municipal Manager in the management and development of a highly skilled and motivated staff, and in the development of dynamic organisational systems and structures. This office provides professional and integrated human resources service to the Council including training and development, employment policy, conditions of service, grading and remuneration and employee performance management structures of the HR department.

This office also provides a cost effective management and organisational development service including the analysis and improvement of current operating systems. It also plays a leading role in assisting with planning and implementation of new structures as well as strategies in order to improve productivity and efficiency.

The main aim of this department is to provide a comprehensive management service and organisational change service to the Municipality.

This will be measured by:

- projects delivered according to agreed upon terms of reference;
- measures, policies and procedures;
- customer service improvement

Objectives

- To provide support and administrative services
- To provide training and development for Councilors and employees;
- To develop Human Resources and Administrative Policies for the proper functioning of the Municipality
- To ensure recruitment and selection of appropriately qualified personnel
- To promote Socio-Economic development
- To promote a safe and healthy environment
- To encourage the involvement of community organizations in the matters of our municipality
- To ensure the provision of Service to our Communities in a sustainable manner
- Record keeping

TECHNICAL SERVICE DEPARTMENT

Head: Technical Services



Mr. H. Visagie

Divisions

- Water
- Sanitation
- Public Works
- Housing

The Head of Technical is mainly responsible to manage the technical department of the Municipality. The main aim of this department is to provide:

- solid waste collection and disposal service.
- sufficient accommodation and housing to all indigents
- clean drinking water and
- sufficient sanitation and sewerage systems to all residents

It is the responsibility of this office to ensure that all solid waste generated in the Municipality is stored, collected, transported and disposed of in an efficient, effective and environmentally-acceptable manner and in accordance with sound business principles.

The Technical Department ensures that business plans are timeously drawn up for the delivery of housing needs. The delivery of houses and the formulation of appropriate housing policy and strategy need to be strengthened.

They strive continuously to ensure the provision of clean drinkable water that is tested regularly. We achieved an acceptable score of 53.43% during the Blue Drop rating. We are still struggling to provide each and every household with a waterborne loo system. Oxidation ponds had been constructed in Topline and we will commence with construction of ponds in Wegdraai and Grootdrink.

This section provides the following services: but are not limited to the following

- Maintenance of water networks
- Maintenance and cleaning of roads
- Upgrading of pavements
- Monitoring the quality of the water (Blue drop).
- Monitoring the quality of the sanitation (Green drop).

Objectives

- To ensure that all areas have access to water supply and infrastructure upgraded by 2014
- All access roads to be upgraded by 2014
- All areas are to be serviced with toilets and infrastructure upgraded by 2014
- Provision of housing services to reduce the housing backlog
- Cleaning and Maintaining of Public areas
- Improved storm water maintenance.
- Re gravelling of existing gravel roads

DEPARTMENTAL PERFORMANCE

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1. HUMAN RESOURCE AND OTHER ORGANIZATIONAL MANAGEMENT

The organizational structure of the municipality consists of a workers corps of 101. The number of permanent employees is 101 and 13 vacancies. See attached the organogram of !Kheis Municipality.

Number of staff per function

Kheis municipality has 7 councilors which consist of 4 ward councilors and 3 PR councilors.

!Kheis Municipality Summary of personnel number per function	Audited Actual
Administration	44
Water	19
Public Works	21
Sanitation	17
Total Personnel Numbers	101

Skills and level of education attained by staff

!Kheis Municipality Summary of personnel numbers – Skills Level	Audited Actual
Senior Managers including Municipal Manager	4
Middle management	6
Technical/ Professional staff	0
Other staff (Clerical, labourers, etc.)	91
Total Personnel Number	101

2. DISCLOSURE ON EMPLOYEE'S, COUNCILOR'S AND SENIOR MANAGEMENT BENEFITS

The disclosure on Employees, Councilor's and Senior Management benefits for 2010/11 as disclosed in note 26 and 27 in the financial statements (page 31) are in accordance with the remuneration of Office Bearer act.

Employees

Description	Amount
Salaries & Wages	4 732 243
Contributions for UIF, pensions and medical aids	770 739
Travel, motor car, acc, subsistence and other allowances	481 285
Housing benefits and allowances	7 842
Overtime payments	20 927
Performance and other bonuses	371 666
Other employee related costs	156 091
Total Employee Related Costs	6 540 793

Councilors

Description	Amount
Mayor	573 543
Councilors	1 172 235
Total Councilor's remuneration	1 745 778

Senior Management

Description	Municipal Manager	Chief Financial Officer
Annual Remuneration	301 113	270 942
Travel, motor car, accommodation, subsistence	103 596	102 300
Contributions for UIF, pensions and medical aids	49 300	1 296
Total	454 009	374 538

The national norm on salary expenditure is 35%. IKheis Municipality's salary expenditure are 35.5% which are in line with this norm.

3. ANNUAL FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

The annual financial statement have not been compiled within the prescribed period and is attached hereto as Appendix (A) The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognized Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003)

With the exceptions allowed in terms of directive 4 these Transitional Provisions allows for extension period of 3 years from converting to GRAP Standards. Kheis Municipality will face these provisions and will fully comply with the standards of GRAP during the 2012 financial year.

Analyses of financial data on Financial Statements 2010/2011.

The following key financial indicators have been analyzed:

Analyses of operating income

Grant funding of !Kheis Municipality amounts to R 21 808 432 of the total income of R 30 533 807, therefore it is clear that more than 71% of the municipality income is grant funding.

Creditors

The creditors increase from R 4 087 075 (2009/10) to R 4 942 159 (2010/11) with R 855 084 from the previous financial year.

Assessment of arrears on municipal taxes and services charges

Debtors recovering days are 54 days due to the impairment of doubtful debtors. This means a consumer takes on average 2 months to settle their municipal accounts. The norm for municipalities is 100 days

Debtors age analyses

Outstanding debtors after impairment of doubtful debts amount to R 981 999 (2010/11) from R 15 622 636 (2009/10). The total debtors decreased with 93.71% (R14 640 637). Provision for impairment have increased with R14 924 676 from R 4 393 333 to R19 318 009.

Levied Income Materialized

!Kheis Municipality's budget for levied income was R 6 567 370 and the actual levied income amounts to R 6 582 720. The levied income on accrual base increase with 0.99% (R 15 350).

4. BASIC SERVICE DELIVERY COMPONENT

The municipality is expected to provide water, sanitation, electricity, refuse removal and other basic services to indigent households.

The characteristics of the basic services component are:

- Supporting only poor households earning less than R2 260.00 p/month.
- Distinguishing between poor households provided with services and those provided with lesser or no services
- Recognising water reticulation, sanitation, refuse removal and electricity reticulation as the core services.
- Providing for environmental health care service to all households, not only poor ones.

On 30 June 2011, !Kheis had 815 registered indigent households. The municipality provides the following free basic services to these indigents:

Water	: The first 6kl (R3.03) of water is free Basic Levy R43.16
Sewerage	: R59.18 rebate per month on sewerage fees
Refuse Removal	: R82.09 rebate per month on refuse removal
Electricity	: 50 kwh of electricity is free

The total subsidy provided for the 2010/11 financial year amounted to R 2 016 825

5. AUDIT REPORT ON FINANCIAL STATEMENTS.

Audit activities by the Auditor-General commenced. !Kheis Municipality received a disclaimer of opinion. Please find attached audit report.

6. AUDIT RECOVERY PLAN.

The Audit Recovery Plan addresses the audit queries and put forward a plan to work towards a clean Audit Report by the year 2012, addressing the shortcomings of the municipality and to enhance the work done by officials. Please find attached detailed audit recovery plan.

7. PERFORMANCE MANAGEMENT REPORT

Introduction

Section 46 of the Local Government: Municipal System Act No 32 of 2000, as amended by section 6 of the Local Government: Municipal Systems Amendment Act No 44 of 2003 states as follows:

"Annual Performance Reports

46 (1) A municipality must prepare for each financial year a performance report reflecting:

- a) the performance of the municipality and of each external service provider during that financial year;
- b) a comparison of the performance referred to in paragraph (a) with targets set for and performance in the previous financial year; and
- c) measures taken to improve performance

46 (2) An annual performance must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act"

Targets and Performance

Organisational Performance Management is the process through which performance objectives for the Municipality are translated into the Service Delivery and Budget Implementation Plan (SDBIP). !Kheis Municipality had no Performance Management System in place. Directorates' performance is monitored in Component 3 of the SDBIP.

The development of a Performance Management System with assistance of the District municipality will receive high priority in the 2011/2012 financial year.

BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

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BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

Analyzing Service Delivery Targets

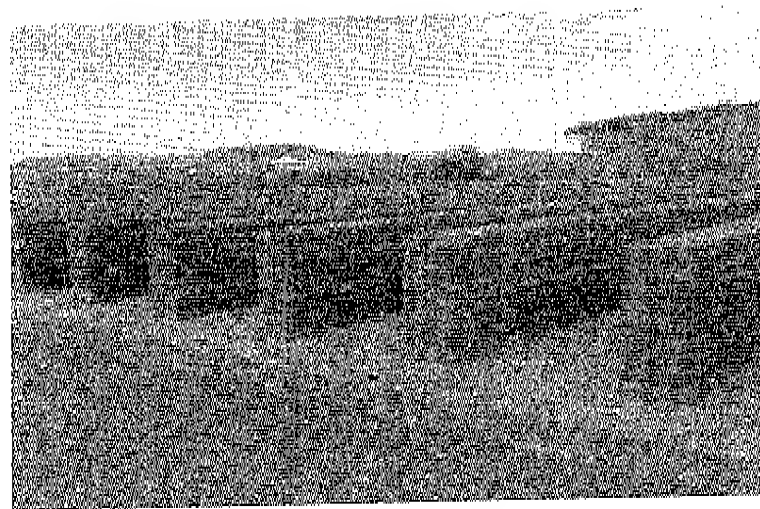
The following Capital project unfolded in the 2010/11 financial year:

- Bulk Water Supply in Topline.
- Bulk Water Supply in Boegoeberg.
- Oxidation Ponds in Topline

1. WATER SERVICES

Water is a very precious and scarce resource. The efficient and sustainable use of water is therefore important for the municipality to reach its social, economic and environmental objectives. All communities are economical disadvantaged areas with high rates of unemployment. The objective of this project is to supply clean consumable water to the communities and it did create a number of temporary employments.

IKheis Municipality is a grant dependant municipality and most of its capital projects are funded through the Municipal Infrastructure Grant (MIG) which the Department of Cooperative Government and Traditional Affairs (COGTA), the Department Local Government and Traditional Affairs (DLGTA), National Treasury and Provincial Treasury have micro control. The Operation and maintenance is funded through the equitable share from the Division of Revenue (DoRA) and through own funding.



Upgrading of bulk water supply Boegoeberg

The bulk water project in Boegoeberg had been finish. 34 temporarily job opportunities were created. It is the vision of IKheis Municipality to supply clean water to all its communities in the designated areas, and do achieve blue drop status.

Backlog eradication is not the only substantial challenge facing IKheis Municipality. Much of the existing water infrastructure is not adequately maintained. Ongoing refurbishment and maintenance is therefore a priority for sustainable service delivery.

2. SANITATION SERVICES

!Kheis Municipality is progressively working to improve the level and delivery of infrastructural services and provide relevant and cost-effective services to residents and businesses. Citizens value the services the Municipality provides, and they want to continue seeing these services delivered in a responsible and efficient manner.

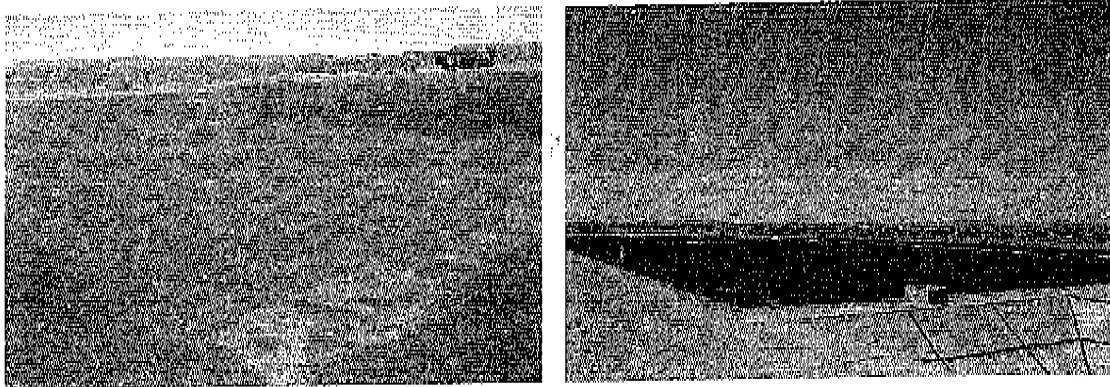
Waste management is one of !Kheis Municipality core functions and it focus on sanitation, refuse removal and the management of landfill sites to boost the level of environmental health and safety. Refuse removal services are successfully delivered to the community of !Kheis. A sewerage network will be establish for the !Kheis Municipal area. The municipality has manage to register the landfill sites. These sites will receive urgent attention during the 2011/2012 year, in regard of recycling and construction of a main site with transfer station.

!Kheis Municipality received funding through The Premier's Office (Pula Nala Project) to purchase a truck for the municipality. This sanitation truck has to serve the whole !Kheis Municipal area. Through this inisiative from the Government service delivery can been executed.



Sanitation and Refuse Removal truck (Pula Nala Project)

!Kheis Municipality has constructed the oxidation ponds at Topline. This oxidation pond will help us to lower the burden on the sanitation truck, to recycle water and use it for other purposes.



Oxidation ponds at Topline

3. ROAD MAINTENANCE

It is the responsibility of the !Kheis Municipality to construct and maintain all access and internal roads within the !Kheis Municipal jurisdiction. Road maintenance includes re-gravelling, storm water drainage, bridges, pothole patching, paving, road signs, road marking and foot paths. The main role player is the Technical Services Department.

The budget available is limited or non existed or reserved to maintain roads that have been constructed or rehabilitated using MIG funding. There is a lack of resources needed to perform the road maintenance function effectively.

4. HOUSING AND TOWN PLANNING

800 plots were demarcated for informal settlements in the !Kheis Municipal area through our own funding. The plots per area was divided as follows:

➤ Boegoeberg	: 81
➤ Sternham	: 299
➤ Wegdraai	: 116
➤ Topline	: 135
➤ Grootdrink	: 131
➤ Groblershoop	: 38.

However the migration of farm dwellers to the urban areas is huge, therefore more plots need to be developed.

5. LOCAL ECONOMIC DEVELOPMENT

!Kheis Municipality does have economic development potential, when a local economic development strategy are developed that identifies agriculture and tourism as growth opportunities. One of the most important realizations that have been activated in the municipality is to create and enable and environment for businesses to operate.

What we have to note is that the local small businesses are benefitting from the municipality's procurement processes. This in itself by buying local enhances opportunities for SMME and BBEEE. What is very important is that all our projects are planned with our communities with the aim of promoting community ownership and management.

6. POVERTY ALLEVIATION

7% of the households within the !Kheis Municipality are indigent. These households earn below the minimum income level of R 2 400 per month. Poverty alleviation is therefore an important part of the activities of the municipality. The following projects have poverty alleviation as its aim:

- Vegetable Gardens
- Disaster Relief Programs
- Soup Kitchens
- Old Age Centruns

The Opwag vegetable Garden is an ongoing project which is funded by Social Welfare. The beneficiaries of the Opwag vegetable Garden are 47 HIV/AIDS and TB Patients. Nuwe Hoop Bejaarde Sentrum, Wegdraai Old Age and Sopkombuis Opwag. They donate vegetables to the Age in Action group of Groblershoop.

Flood Damage

During the 2010 rainfall season, heavy rains falls higher up and resulted in the flooding of the Orange River. It caused flood to some of our bridges, plantations and farm buildings next to the river. Water shortages occur due to the high levels of the river banks and our inability to extract water from the river, and the fact that the canal was flooded with mud.

During the recent flood of the Orange River the following damages occur:

Grootdrink

At Grootdrink the bridge that gave access to Gariep settlement was over flooded and was closed for almost 2 weeks. Teachers and pupils could not have access to the school from Grootdrink to Gariep. Farm workers do not have access to work from Grootdrink to Gariep. The river pump at grootdrink was over flooded which caused a water shortage in the Grootdrink community. A water truck was hired to transport water to Grootdrink.

Gariep

The flood causes damage to the Gariep water pump which resulted in a serious water shortage for the community of Gariep. Arrangements were made with the surrounding farmers to assist with the transport of water.

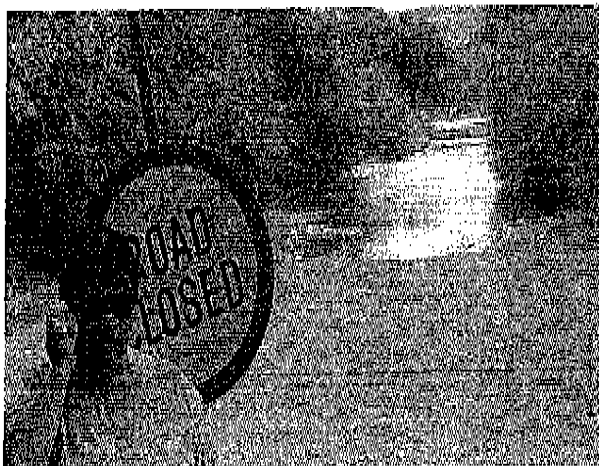
Wegdraai

At Wegdraai the river pump also over flooded. The pump was eventually removed and repaired, again we had a water shortage for the Wegdraai community.

Grobbershoop

At Groblershoop the power point and the river pump had been over flooded. The canal was closed off due to mud. The community of Groblershoop was without water for a few days. The municipality hired a mobile pump with a fuel generator to abstract water from the river to the purification works. The municipality assists the Boegoeberg Water Users Association with the removal of the mud from the canal.

The total costs of the flood damage are estimated at R 275 000.



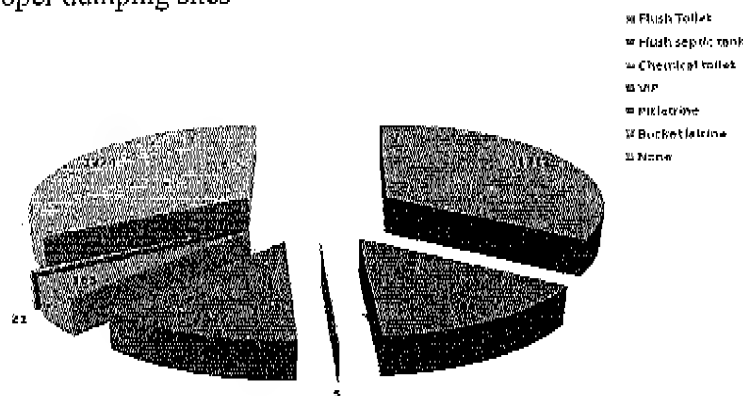
Access Road



Over-flooded bridge

7. Backlogs

- Lack of a well organized and effective systems and implemented policies and plans to manage and serve the whole municipal Area.
- Lack of proper and sufficient water provision in some of the areas
- Lack of proper and sufficient accommodation / housing
- Lack of good quality roads infrastructure, including storm water systems as well as efficient transport system
- Lack of proper and sufficient sanitation and sewerage systems to all residents
- Low levels of skilled people as well as high levels of poverty and unemployment
- Lack of quality health and emergency services and facilities
- Lack of sufficient cemeteries to cater for the increasing mortality rate.
- Proper planning and development of Opwag
- Lack of sport and recreation facilities in some of the areas
- Lack of sufficient and effective telecommunication systems
- Lack of electricity provision to some residential areas
- Lack of proper dumping sites



8. ANALYSES COMPLIANCE WITH LEGAL REQUIREMENTS

➤ Water services development plan.	YES
➤ Financial plan.	YES
➤ Capital investment plan.	YES
➤ Municipal action plan.	YES
➤ Integrated institutional plan.	NO
➤ Performance management system.	NO
➤ Spatial development framework.	NO
➤ Local economic development plan / strategy.	NO
➤ Integrated tourism plan.	NO
➤ Disaster management plan.	YES
➤ HIV/AIDS strategy.	NO
➤ Integrated environmental management plan.	YES
➤ Integrated waste management plan.	YES
➤ Poverty reduction and gender equity plan.	YES

Where the Municipality complies, plans are available on request. The areas where the Municipality do not complies will receive urgent attention in the coming financial years also depending on available finances.

9. CONCLUSION

In the year ahead (2011/12), the Municipality will:

- Develop an integrated comprehensive approach and review of structures and programmes on special sectors.
- Establish partnerships with neighbouring municipalities and develop a support programme.
- Integrate the work of Community Development Workers into municipal programmes and activities.
- Review the Communications Strategy to ensure greater co-ordination and responsiveness.
- Develop and implement a comprehensive strategy and programme to enhance the functionality of the Ward Committee system.
- Finalise the customer care model, system, structures and corporate complaints management processes in line with Batho-Pele.
- Strengthen risk management.
- Implement an action plan to deal with issues raised in the Auditor-General's Report and provide quarterly progress reports.
- Develop and implement a comprehensive capacity building programme for Councillors.



**OVERSIGHT REPORT ON ANNUALREPORT :
2010/ 2011 FINANCIAL YEAR**



OVERSIGHT REPORT ON ANNUAL REPORT: 2010/2011 FINANCIAL YEAR

PURPOSE OF THE REPORT

To consider the Municipality's Annual Report for the 2010/2011 financial year and to adopt an Oversight Report containing Council's comments on the Annual Report in terms of section 129 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act NO. 56 of 2003) hereafter indicated as MFMA).

BACKGROUND

A. Legal Requirements

1. Section 121 (1) (2) AND (3) OF THE MFMA DETERMINES AS FOLLOWS:

121 (1) Every Municipality must for each financial year prepare an Annual Report. The Council must within nine months after the end of a financial year deal with the annual report of a municipality in accordance with section 129.

2. The purpose of the annual report is:-

- (a) To provide a record of the activities of the municipality during the financial year to which the report relates;
- (b) To provide a report on performance against the budget of the municipality for the financial year, and
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality.

3. The annual report of a municipality must include:-

- (a) The annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1).

- (b) The Auditor-General audit report in terms of section 126(3), on those financial statements;
 - (c) The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act.
 - (d) The Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act, Act 32 of 2000.
 - (e) An assessment by the municipality's Accounting Officer of any arrears on municipal taxes and service charges;
 - (f) An assessment by the municipality's Accounting Officer of the municipality's performance against the measurable performance against the measurable performance objectives referred to in section 17(3)(b) for revenue from each source and for each vote in the municipality's approved budget for the relevant financial year;
 - (g) Particulars of any corrective action taken or to taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);
 - (h) Any explanations that may be necessary to clarify issues in connection with the financial statements;
 - (i) Any information as determined by the municipality;
 - (j) Any recommendation as determined by the municipality; and
 - (k) Any other information as may be prescribed.
2. In terms of section 127(5) of the MFMA, the Accounting Officer must immediately after the Annual Report is tabled, make public the annual report, invite the local Community to submit representations in connection with the annual report and submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.
3. According to section 129(1) of the MFMA, the council must consider the Annual Report by no later than two months from the date on which the annual report was tabled, adopt an oversight report containing the Council's comments on the annual report which must include a statement whether-
- The Council has approved the annual report with or without reservations;
 - Has rejected the annual report or
 - Has referred the annual report back for revision of those components that can be revised.

B. Submitting and tabling of the Annual Report

The Annual Report of the Municipality for the 2010/2011 financial year was tabled in the Council as its meeting held on 31 January 2012 in terms of section 127(2) of the Local Government: Municipal Financial Management Act, 2003.

Council resolved at item 003 of the minutes of the Council meeting held on 31 January 2012.

1. That the Municipal Manager in terms of section 127(5) of the MFMA:

- (a) Make public the Annual Report for the 2010/2011 financial year and that it must be made available at all offices of Ikheis Municipality.
- (b) Invite the local community to submit representations in connection with the Annual Report;
- (c) Submit the Annual Report to the Auditor-General, the Provincial Treasury and the Provincial Department responsible for local Government.

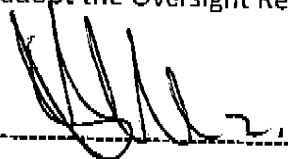
C. Comments / objections received

The local community was invited to submit comments/ objections received in connection with the Annual Report and no representations were received.

RESOLVED ON 30 MARCH 2012

- 1. That Council in terms of section 129(1) of Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) approve the Annual Report for the 2010/2011 financial year provided.
- 2. That Council in terms of section 129(1) of the Local Government: Municipal Finance Management Act, 2003 adopt the Oversight Report on the Annual Report.

Signature:



MAYOR OF IKHEIS MUNICIPALITY

Date:

30-03-2012